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NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

Legislative Fiscal Note

Short Title: Building Code Regulatory Reform. House Bill 948 (First Edition)

Sponsor(s): Representatives Brody, Riddell, Cunningham, and Potts

SUMMARY TABLE

	FISCAL IMPACT OF H.B.948, V.1					
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
State Impact						
General Fund Revenue	-	-	-	-	-	
Less Expenditures	42,140.0	43,404.2	44,706.3	46,047.5	47,428.9	
General Fund Impact	(42,140.0)	(43,404.2)	(44,706.3)	(46,047.5)	(47,428.9)	
Insurance Reg Fee Less Expenditures	42,140.0 	43,404.2	44,706.3	46,047.5 <u>-</u>	47,428.9 <u>-</u>	
Special Fund Impact	42,140.0	43,404.2	44,706.3	46,047.5	47,428.9	
NET STATE IMPACT	-	-	-	-	-	
STATE POSITIONS	0.50	0.50	0.50	0.50	0.50	

^{***} There is no estimate available for the cost of inspections to be performed by the market place pool or receipts to be collected through the fees; therefore, the chart does not include an estimate.

FISCAL IMPACT SUMMARY

Directs the Commissioner of the North Carolina Department of Insurance (DOI) to utilize the market place pool of qualified Code enforcement officials to assist in supervising, administering, and enforcing the North Carolina State Building Code. If it is determined a local jurisdiction cannot complete an inspection within the timely manner as defined by two business days, and an inspection is conducted by a market place pool official, the permit holder would receive back the fee already paid to the jurisdiction for the inspection/pulling of the permit and instead, the Commissioner of Insurance will collect a fee for this service directly from the permit holder. Additionally, the Commissioner may also charge for reimbursement for mileage travelled by the inspectors carrying out their inspection duties.

These new responsibilities will require DOI to develop and manage a process that includes:

receiving requests for inspections,

- informing the local jurisdiction and ensuring the jurisdiction cannot fulfill the request within two business days,
- dispatching qualified code enforcement officials from the market place pool to conduct an inspection,
- ensuring the permit holder's fees are returned from the jurisdiction,
- billing the permit holder for the inspection performed and for mileage reimbursement, and:
- tracking and reporting by local jurisdiction, on the number and types of inspection services provided by the market place pool.

It is estimated that the development of the program will require a part-time position of a GN-11 Civil Engineering Specialist I (.5 FTE) at a cost of \$42,140 including benefits. Since it is anticipated that most permits will continue to be issued by local jurisdictions and only a small number of requests may be handled through DOI, the ongoing management of this process may also be handled by .5 FTE. Additionally, the position will be ultimately be funded through receipts of the Insurance Regulatory Fee through appropriation/reimbursement by those receipts.

All other costs associated with the hiring of inspectors to conduct the inspections through the market place pool will be offset by the fee DOI will charge the permit holder.

The Insurance Regulatory Fee is collected by Department of Revenue and deposited into a special fund within Department of Insurance and then is transferred to the general fund to reimburse the general fund for appropriations made to Department of Insurance.

FISCAL ANALYSIS

Position classification is GN-11 Engineering Specialist I – salary range is \$62,000-\$65,000; at .5 FTE, the total position budget will be \$42,140 and includes a salary of \$31,000+\$11,140 (benefits).

It is not known how many requests for inspections may be made to DOI; however, the bill allows DOI to collect fees for the services performed by the market place pool inspectors and it is assumed that there would be no costs to DOI that are not reimbursed through the fee charged.

TECHNICAL CONSIDERATIONS

NA.

DATA SOURCES

THE DEPARTMENT OF INSURANCE

LEGISLATIVE FISCAL NOTE - PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis

section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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Fiscal Research Division
Publication

May 30, 2018